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Ref: T-3, Page 23 and 24.

Table I, Category B's definition of n-1 contingency situations is contradictory to Mr. Pollock's statement that the "contingencies defined in Category B of Table I include the situation where one line is already out of service when a second line is lost unexpectedly." Did Mr. Pollock mean to refer to a different table or do we misunderstand Mr. Pollock's point?

HECO Response:

The quotation from the NERC planning standards, Standard S.2, supporting Mr. Pollock's statement is included in his testimony on page 24, lines 3-7, just prior to his statement cited. That quotation from the NERC planning standards is:

"The transmission systems also shall be capable of accommodating planned bulk electric equipment maintenance outages and continuing to operate within thermal, voltage, and stability limits under the conditions of the contingencies as defined in Category B of Table I."

Occurring prior to this quotation in Mr. Pollock's testimony on page 23, lines 23-28 and page 24, line 1 the NERC planning standard is also quoted as follows:

"The interconnected transmission systems shall be planned, designed, and constructed such that the network can be operated to supply projected customer demands and contracted firm (non-recallable reserved) transmission services, at all demand levels over the range of forecast system demands, under the contingency conditions as defined in Category B of Table I".

One must consider two different initial system configurations when determining if the requirements of Table I, Category B are met. The first is with all facilities in service, and the second with planned bulk electric equipment maintenance outages. Bulk electric equipment in this context means equipment that serves important or large segments of the system load.

The point of Mr. Pollock's testimony in this context is that the Oahu system should be planned to accommodate maintenance outages of transmission lines serving important or large loads so that with that line out of service, the system should still be able to supply the loads for

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an N-1 contingency. This requires being able to supply important loads for an N-1 contingency starting from an initial system configuration that includes one line out of service for maintenance.